GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7840
ANSWERED ON:17.05.2002
EVASION OF EXCISE DUTY
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the consumer industry in general and textile and iron and steel industry in particular resort to evasion of excise duty by misclassification of exciseable goods, misuse of certain exemption notifications etc. to the tune of crores of rupees every year;

(b) if so, how much loss has been suffered by the Government during the last three years and what action has been taken against the tax evaders; and

(c) the measures the Government have taken to check the misuse of notifications and evasion of excise duty?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) and (b) Yes, Sir. The amount of excise duty evasion detected during last three years in respect of consumer industry, textiles and iron and steel industries is given below. Action is taken to penalise the tax evaders. Besides in some cases the evaders are prosecuted also.

(Amount in Rupees Crores)

Sl. No.	Industry	1999-2000	2000-2001	2001-2002
1.	Consumer	360.15	345.82	582.61
2.	Textiles	153.91	119.95	289.01
3.	Iron and Steel	727.39	171.39	324.31

c) The notifications are reviewed periodically to plug the loopholes, if any, and duty evasion is checked through collection of intelligence, investigation and action taken against tax evaders.